

**STATE BOARD OF ACCOUNTS**  
**302 West Washington Street**  
**Room E418**  
**INDIANAPOLIS, INDIANA 46204-2769**

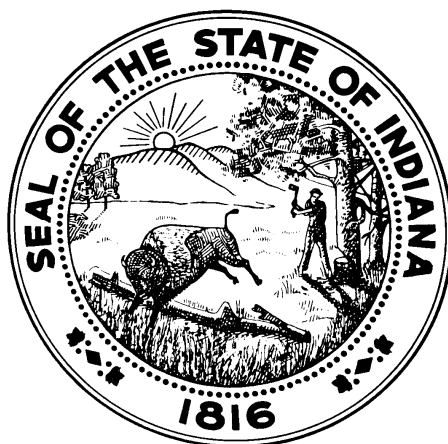
EXAMINATION REPORT

OF

CITY OF LOGANSPOUT

CASS COUNTY, INDIANA

January 1, 2007 to December 31, 2007



**FILED**  
10/07/2008



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## OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Ruth Ellen Bland	01-01-04 to 12-31-11
Mayor	Michael E. Fincher	01-01-04 to 12-31-11
President of the Common Council	Kerry Worthington Scott Kraud	01-01-07 to 12-31-07 01-01-08 to 12-31-08
Superintendent of Utilities	Paul Hartman	01-01-07 to 12-31-08



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS  
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**INDEPENDENT ACCOUNTANT'S REPORT**

TO: THE OFFICIALS OF THE CITY OF LOGANSPOUT, CASS COUNTY, INDIANA

We have examined the financial information presented herein of the City of Logansport (City), for the period of January 1, 2007 to December 31, 2007. The City's management is responsible for the financial information presented herein. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the financial information presented herein and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the financial information referred to above presents fairly, in all material respects, the financial information of the City for the year ended December 31, 2007, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Schedule of Capital Assets and Schedule of Long-Term Debt, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the basic financial information. They have not been subjected to the examination procedures applied to the basic financial information and, accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

August 12, 2008

CITY OF LOGANSPORT  
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
ALL GOVERNMENTAL, PROPRIETARY, AND FIDUCIARY FUND TYPES  
As Of And For The Year Ended December 31, 2007

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
General	\$ 2,676,546	\$ 10,526,985	\$ 10,591,596	\$ 2,611,935
Motor Vehicle Highway	865,528	916,516	780,333	1,001,711
Local Road and Street	22,619	82,161	70,481	34,299
Law Enforcement Continuing Education	39,223	7,458	-	46,681
Park Nonreverting Operating	27,521	47,333	41,279	33,575
Ben Long	473	-	-	473
Fire Report	602	132	94	640
Solid Waste District	19,610	440	6,156	13,894
Police Reserve	190	-	-	190
Nonreverting Host Community	679,025	322,760	134,855	866,930
Eastgate Property	481,629	127,786	181,233	428,182
Blitz Grant	-	6,650	6,448	202
Auto Safety IU Grant	74	-	-	74
Donations	65	-	-	65
AIP Environmental Grant	392	-	-	392
Nonreverting Drug Investigation/Equipment	14,216	-	-	14,216
Nonreverting Unsafe Building	853	30,000	30,000	853
Rainy Day	107,323	217,670	150,000	174,993
Recreation Trails Program Grant	-	37,500	2,901	34,599
Fire Station/Street Department	144,056	300,320	307,943	136,433
Cumulative Capital Improvement	50,242	69,138	70,000	49,380
County Economic Development Income Tax	1,773,725	698,422	470,973	2,001,174
Park Nonreverting Capital	2,522	85	-	2,607
Logansport Nonreverting Equipment	567,639	171,260	42,495	696,404
Little Turtle Waterway Plaza	6,911	2,412	6,139	3,184
Nonreverting Infrastructure Maintenance	291,182	100,000	3,941	387,241
Nonreverting Old US 24 Highway Relinquishment	1,465,156	235,650	223,078	1,477,728
Nonreverting Land Development	96,570	35,248	78,214	53,604
Tax Increment Financing	117,551	101,303	127,834	91,020
CDBG IN Housing Grant 005	27,000	197,205	224,155	50
Nonreverting Logansport Health Insurance	383,811	156,241	432,607	107,445
Nonreverting Golf Operating	30,928	69,510	60,926	39,512
Nonreverting Grant Administration	110,130	56,771	42,430	124,471
Industrial Development Grant	-	16,500	16,500	-
Sharon Ness Memorial Scholarship - Parks	672	-	80	592
Proprietary Funds:				
Internal Service Fund:				
Utility Health Insurance	1,984,581	1,212,492	1,758,940	1,438,133
Water Utility - Operating	179,302	3,562,993	3,523,640	218,655
Water Utility - Bond and Interest	-	410,753	410,753	-
Water Utility - Depreciation	2,131,354	248,394	11,155	2,368,593

The accompanying notes are an integral part of the financial information.

CITY OF LOGANSPOUT  
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
ALL GOVERNMENTAL, PROPRIETARY, AND FIDUCIARY FUND TYPES  
As Of And For The Year Ended December 31, 2007  
(Continued)

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Proprietary Funds (continued):				
Water Utility - Insurance Reserve	145,339	5,788	42,920	108,207
Water Utility - Bond Reserve	471,355	23,857	66,212	429,000
Wastewater Utility - Operating	196,170	5,013,617	4,878,740	331,047
Wastewater Utility - Bond and Interest	-	763,770	763,770	-
Wastewater Utility - Depreciation	643,095	304,012	145,572	801,535
Wastewater Utility - Insurance Reserve	113,182	5,276	14,413	104,045
Wastewater Utility - Bond Reserve	804,716	42,043	76,346	770,413
Wastewater Utility - Fiscal Agent	16,745	879	879	16,745
Electric Utility - Operating	1,279,535	34,549,570	34,415,277	1,413,828
Electric Utility - Depreciation	2,326,900	1,249,992	13,892	3,563,000
Electric Utility - Customer Deposit	117,236	26,107	5,698	137,645
Electric Utility - Construction	2,521,356	28,091	2,262,956	286,491
Electric Utility - Insurance Reserve	331,027	14,293	75,320	270,000
Electric Utility - Employee Banked Vacation	169,660	37,467	837	206,290
Storm Water Utility - Operating	7,973	1,091,425	1,044,192	55,206
Storm Water Utility - Bond and Interest	-	141,623	141,623	-
Storm Water Utility - Depreciation	400,000	62,087	50,000	412,087
Storm Water Utility - Bond Reserve	182,556	8,741	43,877	147,420
Storm Water Utility - Operating Reserve	760,969	31,737	392,706	400,000
Fiduciary Funds:				
Police Pension	1,075,262	443,709	639,121	879,850
Fire Pension	1,554,882	596,496	806,595	1,344,783
Cemetery Endowment	2,252	-	-	2,252
Calvary Perpetual	51,162	-	-	51,162
Cemetery Perpetual	61,092	7,470	139	68,423
Cemetery Trust (Flanagan)	4,652	29	-	4,681
Pratt Charitable	5,000	413	600	4,813
Spry Charitable	10,000	-	-	10,000
Payroll Withholdings	-	2,396,956	2,396,956	-
Payroll	-	3,900,818	3,900,818	-
Totals	<u>\$ 27,551,337</u>	<u>\$ 70,714,354</u>	<u>\$ 71,986,638</u>	<u>\$ 26,279,053</u>

The accompanying notes are an integral part of the financial information.

CITY OF LOGANSPOUT  
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

The City was established under the laws of the State of Indiana. The City provides the following services: public safety, health and social services, culture and recreation, and general administrative services.

Note 2. Fund Accounting

The City uses funds to report on its cash and investments and the results of its operations on a cash basis. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities.

Note 3. Budgets

The operating budget is initially prepared and approved at the local level. In addition, funds for which property taxes are levied or highway use taxes are received are subject to final approval by the Indiana Department of Local Government Finance.

Note 4. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the City in June and December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100% of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which become delinquent if not paid by May 10 and November 10, respectively. All property taxes collected by the County Treasurer and available for distribution were distributed to the City on or prior to December 31 of the year collected.

Note 5. Deposits and Investments

Deposits, made in accordance with Indiana Code 5-13, with financial institutions in the State of Indiana at year end were entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.



CITY OF LOGANSPOUT  
NOTES TO FINANCIAL INFORMATION  
(Continued)

State statute (IC 5-13-9) authorizes the City to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

Note 6. Pension Plan

Public Employees' Retirement Fund

Plan Description

The City contributes to the Indiana Public Employees' Retirement Fund (PERF), a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the PERF Board, most requirements of the system, and give the City authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

PERF administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Public Employees' Retirement Fund  
Harrison Building, Room 800  
143 West Market Street  
Indianapolis, IN 46204  
Ph. (317) 233-4162

Funding Policy and Annual Pension Cost

The contribution requirements of the plan members for PERF are established by the Board of Trustees of PERF.

CITY OF LOGANSPOUT  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF CAPITAL ASSETS  
As Of And For The Year Ended December 31, 2007

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

General infrastructure assets (those reported by governmental activities) are included regardless of their acquisition date or amount. The government was able to estimate the historical cost for the initial reporting of these assets through backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year.) As the government constructs or acquires additional capital assets each period, including infrastructure assets, they are reported at historical cost.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 4,828,247
Infrastructure	13,866,863
Buildings	12,524,431
Improvements other than buildings	4,166,742
Machinery and equipment	<u>6,376,070</u>
Total governmental activities, capital assets not being depreciated	<u><u>\$ 41,762,353</u></u>
Business-type activities:	
Water Utility:	
Capital assets:	
Land	\$ 77,749
Buildings	1,672,575
Improvements other than buildings	14,980,448
Machinery and equipment	<u>4,182,120</u>
Total Water Utility capital assets	<u>20,912,892</u>
Wastewater Utility:	
Capital assets:	
Land	36,500
Buildings	2,404,821
Improvements other than buildings	17,366,450
Machinery and equipment	<u>14,442,728</u>
Total Wastewater Utility capital assets	<u>34,250,499</u>
Electric Utility:	
Capital assets:	
Land	268,635
Construction in progress	2,573,250
Buildings	6,395,184
Improvements other than buildings	32,952,740
Machinery and equipment	<u>34,823,529</u>
Total Electric Utility capital assets	<u>77,013,338</u>
Stormwater Utility:	
Capital assets:	
Improvements other than buildings	<u>5,098,233</u>
Total business-type activities capital assets	<u><u>\$ 137,274,962</u></u>

CITY OF LOGANSPOUT  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF LONG-TERM DEBT  
December 31, 2007

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental Activities:		
Capital leases:		
Fire Station/Street Barn	\$ 149,174	\$ 154,314
Ivy Tech Campus Street and Improvements	<u>4,000,000</u>	<u>121,690</u>
Total governmental activities debt:	<u>\$ 4,149,174</u>	<u>\$ 276,004</u>
Business-type Activities:		
Water Utility		
Revenue bonds:		
1995 Issue	\$ 450,000	\$ 162,373
2001 Issue	<u>2,858,000</u>	<u>241,839</u>
Total Water Utility	<u>3,308,000</u>	<u>404,212</u>
Wastewater Utility		
Revenue bonds:		
1994 Issue	1,350,000	491,463
1998 Issue	861,000	90,998
2001 Issue	<u>1,951,000</u>	<u>165,684</u>
Total Wastewater Utility	<u>4,162,000</u>	<u>748,145</u>
Stormwater Utility		
Revenue bonds:		
1995 Issue	<u>510,000</u>	<u>138,678</u>
Total business-type activities long-term debt:	<u>\$ 7,980,000</u>	<u>\$ 1,291,035</u>

CITY OF LOGANSPOUT  
EXAMINATION RESULTS AND COMMENTS

BUILDING DEPARTMENT RECEIPTS AND FEES

Instances were noted where receipts and fees collected by the Building Department were remitted to the Clerk-Treasurer less frequently than once a week.

Receipts and fees collected by a Building Department should be remitted to the Clerk-Treasurer or City Controller at least once each week. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 6)

RECEIPT DEPOSITS

The Building Department receipts classification of cash and check amounts did not always agree with duplicate deposit slip classification of cash and check amounts.

Public funds shall be deposited in the same form in which they were received. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

ORDINANCES AND RESOLUTIONS

City Ordinance 06-12 established the fee schedule for permits. Our examination indicated fees charged by the Building and Zoning Departments were not always in accordance with the fee schedule.

Each governmental unit is responsible for complying with the ordinances, resolutions, and policies it adopts. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

DELINQUENT WASTEWATER ACCOUNTS

Delinquent wastewater fees and penalties had not been recorded with the County Recorder nor were they certified to the County Auditor which would result in a lien against the property. A similar comment was in the prior Report B30001.

CITY OF LOGANSPOUT  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

Indiana Code 36-9-23-33 states in part:

"(b) Except as provided in subsection (l), the officer charged with the collection of fees and penalties assessed under this chapter shall enforce their payment. As often as the officer determines is necessary in a calendar year, the officer shall prepare either of the following:

- (1) a list of the delinquent fees and penalties that are enforceable under this section, which must include the following:
  - (A) the name or names of the owner or owners of each lot or parcel of real property on which fees are delinquent;
  - (B) a description of the premises, as shown by the records of the county auditor; and
  - (C) the amount of the delinquent fees, together with the penalty; or
- (2) an individual instrument for each lot or parcel of real property on which the fees are delinquent."

"(c) The officer shall record a copy of each list or each individual instrument with the county recorder . . ."

"(e) Using the lists and instruments prepared under subsection (b) and recorded under subsection (c), the officer shall, not later than ten (10) days after the list or each individual instrument is recorded under subsection (c), certify to the county auditor a list of the liens that remain unpaid for collection in the next May. . . ."

CITY OF LOGANSPORT  
EXIT CONFERENCE

The contents of this report were discussed on August 12, 2008, with Michael E. Fincher, Mayor; Ruth Ellen Bland, Clerk-Treasurer; Paul Hartman, Superintendent of Utilities, and LuAnn Davis, Utilities Controller. The officials concurred with our findings.